Veterans Affairs
2008-2009 Performance Report

The Honourable Greg Thompson, P.C., M.P.
Minister of Veterans Affairs

Veterans Affairs Canada | Anciens Combattants Canada

Canada

MANDATE

Veterans Affairs Canada

Veterans Affairs Canada's mandate stems from laws, regulations and Orders in Council. Among the more significant is the *Department of Veterans Affairs Act*, which charges the Minister of Veterans Affairs with the following responsibilities:

" ... the care, treatment, or re-establishment in civil life of any person who served in the Canadian Forces or merchant navy or in the naval, army or air forces or merchant navies of Her Majesty, of any person who has otherwise engaged in pursuits relating to war, and of any other person designated ... the care of the dependants or survivors of any person referred to ... "

Through Order in Council P.C. 1965-688, Veterans Affairs Canada is responsible to keep alive the achievements and sacrifices made by those who served Canada in times of war and peace.

Veterans Review and Appeal Board

The Veterans Review and Appeal Board is an independent quasi-judicial tribunal that operates at arm's length from Veterans Affairs Canada. The Board has full and exclusive jurisdiction to hear, determine and deal with all applications for review and appeal that may be made to the Board under the *Pension Act*, *Canadian Forces Members and Veterans Re-establishment and Compensation Act* - Part 3, the *War Veterans Allowance Act* and other Acts of Parliament. All matters related to appeals under this legislation are authorized under the *Veterans Review and Appeal Board Act*.

Office of the Ombudsman

The Veterans Ombudsman is an independent officer reporting directly to the Minister. The Ombudsman is mandated to uphold the Veterans Bill of Rights; and receive and review complaints stemming from programs and services provided or administered by Veterans Affairs or pertaining to the Bill of Rights. The Ombudsman assists Canada's Veterans by providing them with information on the Department's programs and services.

TABLE OF CONTENTS

SECTION I - OVERVIEW 1

Minister's Message 1

Chair's Message 2

Raison d'être 3

Responsibilities 3

Our European Sites 4

Program Activity Architecture 5

Performance Summary 6

Contribution of Operational Priorities to Strategic Outcomes 9

Risks and Challenges 16

Risk Context 16

Corporate Risks 16

Expenditure Profile 20

Voted and Statutory Items Displayed in Main Estimates 21

SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME . . . 22

Pensions, Awards, Allowances for Disability and Death; and Financial Support . . . 22

Health Care and Re-establishment Benefits and Services 24

Remembrance Programming 26

Veterans Review and Appeal Board redress process for disability pensions and awards 28

Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues 30

SECTION III - SUPPLEMENTARY INFORMATION 32

Financial Highlights 32

Consultations 33

List of Electronic Tables 34

Web sites 34

Contact Information 34

Portfolio Publications 34

SECTION I - OVERVIEW

Minister's Message

As Minister of Veterans Affairs, it is with great pride that I present our *2008-2009 Performance Report*. This report outlines how we met our commitments to the men and women and their families who count on us, while treating everyone who turned to Veterans Affairs Canada with respect, dignity and fairness.

The number of our modern day Veterans continues to increase. In response, we have continued to improve the services offered under the New Veterans Charter. For example, we increased the number of Operational Stress Injury Clinics to eight by opening clinics in Ottawa and Vancouver, with two more clinics to be added in the Fall of 2009. We have also increased our presence on Canadian Forces Bases and Wings and offer transition services on-site. In partnership with DND, we are establishing Integrated Personnel Support Centres for a more coordinated approach to help Canadian Forces members, Veterans and their families make a successful transition to civilian life.

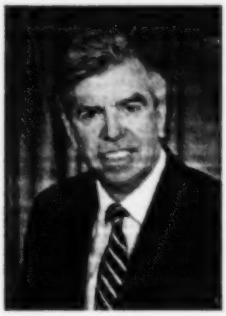
While the number of our older Veterans is declining, their need for care is growing. We continued to provide access to care, treatment and support for our Veterans, including initiatives such as the expansion of the Veterans Independence Program for survivors and a revised national long-term care strategy.

In the last year, the Department marked a number of significant milestones, including the 90th anniversary of the end of the First World War, the 55th anniversary of the Korean War Armistice, the 65th anniversary of the Battle of the Atlantic and the first National Peacekeepers' Day. In addition, our government assumed ownership of the Canada Memorial (Green Park, London, England) which pays tribute to the almost one million Canadians who joined the war effort in the United Kingdom in the First and Second World Wars. In order to keep the torch of remembrance burning brightly, we increased our focus on in-Canada remembrance activities and recognition of our modern day Veterans.

We owe a great debt to our Veterans and we dedicate ourselves, on behalf of all Canadians, to making sure they receive the help and recognition they deserve. Through the commitment and dedication of our staff, the sacrifices and achievements of Canada's Veterans are recognized and honoured.

The Honourable Greg Thompson, P.C., M.P.
Minister of Veterans Affairs

Chair's Message



I am pleased to present my first Performance Report as Chair of the Veterans Review and Appeal Board (VRAB). Although I began my term at the end of this reporting period, I consider it essential to look back on the progress achieved against the plans and priorities identified for 2008-09. The Board's future direction will be shaped by this progress and we will build upon it in the coming year.

The Board provides an independent appeal process to individuals who are dissatisfied with disability pension, disability award and War Veterans Allowance decisions made by the Department of Veterans Affairs. Hearings are conducted by Board Members in over 30 locations in Canada at the request of Veterans, Canadian Forces members, serving or released members of the Royal Canadian Mounted Police, and their families.

Although the Board has no control over how many individuals exercise their right of appeal, we take very seriously our responsibility to ensure that those who do are well served. In 2008-09, we were able to exceed our goal of finalizing 7,000 decisions for applicants by working with the Bureau of Pensions Advocates and the Royal Canadian Legion to bring forward claims and to maximize our hearing schedule. The Board was also very successful in using technology to further streamline the process. Today, our Members and representatives across the country have access to applicants' hearing documentation electronically in "real time." We have also encouraged applicants to consider video conferencing as a convenient hearing alternative.

While applicants have access to free representation, we recognize that we also have a responsibility to reach out to them. Thanks to regular feedback from applicants through our toll-free inquiries lines and our improved Web site, the Board developed new tools to address common questions.

Of course, our primary goal is to provide fair decisions to all who apply. In 2008-09, the Board added new training opportunities to our professional development program for Members to support them in their role as specialized adjudicators.

We are a small but busy Board, one that relies on the enthusiasm and professionalism of staff and Members to deliver a quality program to applicants. We look forward to working with representative organizations, applicants and other interested parties to address the challenges that lie ahead.

John D. Larlee
Chair, Veterans Review and Appeal Board

Raison d'être

Veterans Affairs exists to repay the nation's debt of gratitude toward those whose legacy is the peace and security we enjoy as Canadians. Canada's contribution to global peace and security has come at a heavy price to our Veterans. Our clientele includes traditional war Veterans from the First and Second World Wars and the Korean War, former and serving members of the Canadian Forces (CF), the Royal Canadian Mounted Police (RCMP) and certain civilians as well as eligible family members (survivors and dependants).

Responsibilities

Veterans Affairs is a Portfolio consisting of: *Veterans Affairs Canada* (VAC, the Department); the *Veterans Review and Appeal Board* (VRAB, the Board); and the *Office of the Veterans Ombudsman* (OVO).

Veterans Affairs Canada

VAC's twofold focus is to provide client-centred services and benefits that respond to our clients' needs, and to foster the memory of Veterans.

VAC provides Disability Pensions and Special Awards to Veterans of the First and Second World Wars; the Korean War; any Veteran with service prior to April 1, 1947; Canadian Forces Veterans and members; and former and serving members of the RCMP. The New Veterans Charter (NVC) supports modern day Veterans and their families to ease their transition to civilian life through a comprehensive suite of programs which includes rehabilitation, health benefits, job placement assistance, financial support, and disability awards including death benefits. The Bureau of Pensions Advocates provides free legal advice and representation for individuals dissatisfied with decisions rendered by VAC regarding their disability benefits.

VAC's Health Care Program is designed to enhance the quality of life of clients, promote independence, and assist in keeping clients at home and in their own communities. The Department provides Veterans and other eligible clients with access to treatment benefits, health care services such as advice and information, needs assessment, advocacy and referrals. The Veterans Independence Program (VIP) is a national home care program that helps clients remain healthy and independent in their own homes or communities. VAC supports Veterans in long-term care beds, either in community facilities, in Ste. Anne's Hospital (the last remaining federal hospital administered by the Department), or in larger contract facilities where Veterans have priority access to beds.

The Department keeps alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace and promotes an understanding of how they helped shape our country. VAC fosters the memory of Canada's war dead and Veterans through its Remembrance Programs, including the maintenance and preservation of 14 memorial sites in Europe.

Veterans Review and Appeal Board

The Veterans Review and Appeal Board (VRAB) provides two levels of redress for disability pension and disability award applications and the final level of appeal for War Veterans Allowance decisions. The Board's objective is to ensure that Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families receive the disability pensions, disability awards and other benefits to which they are entitled. The Board reports to Parliament through the Minister of Veterans Affairs and is completely independent of VAC.

Veterans Ombudsman

The Office of the Veterans Ombudsman helps Veterans and their families to address their concerns related to Veterans Affairs and the Veterans Bill of Rights. The Veterans Ombudsman is an independent officer who reports directly to the Minister of Veterans Affairs.

Our European Sites

Our monuments in Europe are symbols of the legacy of Canadians in their fight for freedom, democracy, human rights and the rule of law. At these monuments, we pause to remember.

1 Green Park, United Kingdom
2 Bourlon Wood, France
3 Masnières, France
4 Passchendaele, Belgium
5 Gueudecourt, France
6 Vimy, France
7 Le Quesnel, France
8 Courcelette, France
9 Hill 62, Belgium
10 Monchy-le-Preux, France
11 Dury, France
12 Courtrai, Belgium
13 St. Julien, Belgium
14 Beaumont-Hamel, France

Program Activity Architecture

Strategic Outcome
Program Activity
Sub Activity
Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence and re-establishment
Pensions, Awards, Allowances for Disability and Death; and Financial Support
Pensions, Awards, Allowance for Disability and Death
Financial Support
Bureau of Pensions Advocates
Health Care and Re-establishment Benefits and Services
Long-Term and Nursing Home Care (including Veterans Independence Program community care)
Treatment Benefits and Other Health and Re-establishment Services
Home Care and Other Veterans Independence Program Services
Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace
Remembrance Programming
Remembrance Outreach
National and International Memorials
Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families
Veterans Review and Appeal Board redress process for disability pensions and awards
Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues

Performance Summary

2008-09 Financial Resources ($ millions)		
Planned Spending	**Total Authorities**	**Actual Spending**
3,397.7	3,468.7	3,353.3

2008-09 Human Resources (Full-Time Equivalents)		
Planned	**Actual**	**Difference**
3,896	4,039	143

Strategic Outcome #1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment

Performance Indicators	Targets	2008-09 Performance
Percentage of clients who report satisfaction with the programs and services offered by Veterans Affairs Canada	85 percent	**Actual Performance:** 79 percent overall level of satisfaction, per VAC's 2007 National Client Satisfaction Survey (NCSS). Since the 2007 NCSS, the Department has realigned its structure to create a Branch dedicated to service delivery. This concentrated focus on service delivery supports the Department's ongoing goal of providing the highest level of service to our clients. The NCSS is conducted every three years. The next survey, scheduled for fall 2010, will enable the Department to determine progress made toward the target.
Percentage of War-service clients who were assessed in the last year and who report a positive impact on their health status as a result of Veterans Affairs Canada programs and services	85 percent	**Actual Performance**: Actual performance indirectly measured in 2008-09. In the 2007 NCSS, 80 percent of War-service Veterans reported that VAC programs and services met their needs. As this was the first year that VAC polled clients on the extent to which VAC programs and services meet their needs, progress against this measure will be reported in the 2010 survey.
Percentage of Canadian Forces clients assessed in the last year who report a positive impact on their health status as a result of Veterans Affairs Canada programs and services	85 percent	**Actual Performance**: Actual performance indirectly measured in 2008-09. In the 2007 NCSS, 68 percent of modern day Veterans reported that VAC programs and services met their needs. As this was the first year that VAC polled clients on the extent to which VAC programs and services meet their needs, progress against this measure will be analysed in the 2010 survey.

Program Activity	2007-08 Actual Spending ($ millions)	2008-09 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Pensions, Awards, Allowances for Disability and Death; and Financial Support	2,067.9	2,166.6	2,166.6	2,223.8	2,165.4	*Income Security and Employment for Canadians* Veterans Affairs improves the quality of life for Canadians by providing appropriate compensation for its clients
Health Care and Re-establishment Benefits and Services	1,065.5	1,160.9	1,160.9	1,168.4	1,121.1	*Healthy Canadians* Veterans Affairs improves the quality of life of Canadians through providing its clients with health benefits and rehabilitation services.

Strategic Outcome #2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace

Performance Indicators	Targets	2008-09 Performance
Percentage of Canadians engaged in remembrance	15 percent	**Actual Performance:** 30 percent. An Omnibus survey conducted for Veterans Week 2008 shows that 30 percent of Canadians engaged in remembrance by participating in Veterans' Week 2008 events in their communities. VAC's remembrance priorities of focussing on youth and strengthening in-Canada activities have contributed to the increased engagement in remembrance since the 2005 Year of the Veteran. The situation in Afghanistan has also been a factor in bringing the contributions of modern day Veterans to the forefront.

Program Activity	2007-08 Actual Spending ($ millions)	2008-09 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Remembrance Programming	48.1	50.6	50.6	53.6	45.6	*A Vibrant Canadian Culture and Heritage* Informing Canadians of our military history allows them to celebrate and commemorate the contributions of those who served Canada in times of war, military conflict and peace, and to understand how these men and women have helped and continue to help shape our society.

Strategic Outcome #3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families

Performance Indicators	Targets	2008-09 Performance
Percentage of client concerns that are effectively responded to	80 percent of complaints are responded to within 60 days	**Actual Performance:** 89 percent of complaints were responded to within 60 days. More than 7,100 applicants who were dissatisfied with a disability pension or disability award decision made by the Department of Veterans Affairs had their claims heard by the Board in 2008-09. Through the Board's formal complaint process, individuals have an avenue to express concerns other than those related to the outcome of their decisions. Nine complaints were received in 2008-09, down from 14 in 2007-08. Information on the Complaint Process and the Code of Professional Conduct for VRAB Members is available from the Board's inquiries staff or on the Web site.

Program Activity	2007-08 Actual Spending ($ millions)	2008-09 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Veterans Review and Appeal Board redress process for disability pensions and awards	15.0	13.8	13.8	16.9	16.6	*Income Security and Employment for Canadians* An independent program for resolving disability compensation and War Veterans Allowance decisions supports Canadians through ensuring fairness for all applicants.

Strategic Outcome #4: Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients			
Performance Indicators		**Targets**	**2008-09 Performance**
Number of the Ombudsman recommendations implemented by Veterans Affairs Canada		To be determined	The Office submitted a series of specific enquiries, observations, discussion papers and one Administrative Report on VAC's Funeral & Burial Program. This report contained seven recommendations, six of which were outside VAC's current authorities. VAC has acted on the recommendation that is within its current authority. (Note: the target cannot be established until after 2008-09, the first full year of operation)
Number of cases resolved through informal resolution		To be determined	The Office actioned 707 cases during the year. Of these, 493 were resolved through informal resolution and closed. The remaining 214 cases were referred for further investigation as having possible systemic implications. (Note: the target cannot be established until after 2008-09, the first full year of operation)

Program Activity	2007-08 Actual Spending ($ millions)	2008-09 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues	-	5.8	5.8	6.0	4.6	*Income Security and Employment for Canadians* Canadians are assured that Veterans who have made the ultimate sacrifice in the service of their country will be afforded the benefits, services and support that are their due and that none will be left behind. Veterans are assured that the Ombudsman will address their concerns.

Contribution of Operational Priorities to Strategic Outcomes

Veterans Affairs has:

- four strategic outcomes (two for Veterans Affairs Canada, one for the Veterans Review and Appeal Board, and one for the Office of the Veterans Ombudsman);
- five Program Activities; and
- seven priorities.

Operational Priorities	Type	Status	Linkages to Strategic Outcomes
Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families (VAC)	Ongoing	VAC made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Successfully met expectations** • As of March 31, 2009, provided housekeeping and/or grounds maintenance benefits to 2,223 eligible low-income or disabled survivors of certain traditional War-service Veterans through the Veterans Independence Program Expansion. • Continued with the Ste. Anne's Hospital's renovation project. The last phase of the project will be completed in 2009-10. • Developed a new National Long-Term Care Strategy and implemented a quality assurance framework to ensure that Veterans receive a high standard of care anywhere in Canada. • Launched a Benefit Grid Review of all Programs of Choice, excluding dental and prescription drugs programs. The review focussed on areas such as updating rates and frequencies, adding new benefits; and deleting obsolete benefit codes. Approved recommendations will be implemented in 2009-10. • Extended the contract for the Federal Health Care Processing System until July 2012. A draft Statement of Work for a new contract was posted and was successful in obtaining industry feedback. • Worked closely with DND to develop VAC/DND Integrated Personnel Support Centres, one-stop centres where VAC and DND work together to support CF members' recovery, rehabilitation and reintegration. Eight Centres will be operational in 2009-10. • Issued 1,302 Agent Orange ex-gratia payments in 2008-09. The total number of payments as of March 31, 2009 is 2,188. Outstanding applications are still being processed and submissions received after the April 1, 2009 application end date may be considered if exceptional circumstances delayed the application. • Responded to four discussion and observation papers and one report provided to VAC by the Office of the Ombudsman, and responded appropriately to all OVO requests within the agreed-upon time frames. • Implemented the "Advocates without Borders" initiative, distributing client cases more evenly across the Bureau of Pension Advocates network, with a reduction in turnaround times for clients from an average 166 days in April 2008 to 94 days in March 2009.	**Strategic Outcome:** • Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment **Program Activities:** • Pensions, Awards, and Allowances for Disability and Death; and Financial Support • Health Care and Re-establishment Benefits and Services This priority and its associated plans and initiatives are focussed on improving the benefits and services that are available to our New Veterans Charter and War-service Veteran clients.

Operational Priorities	Type	Status	Linkages to Strategic Outcomes
Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients (VAC)	Ongoing	VAC made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Successfully met expectations** • Issued and communicated standards of reporting practice for mental health service providers, enhancing VAC's case management through standardized reporting. A common service-provider list is in place, with work already underway to ensure updating occurs. • Opened VAC Operational Stress Injury (OSI) clinics in Ottawa and Vancouver. The final two clinics will open in fall 2009 and all ten clinics will provide access to VAC clients, CF members and Royal Canadian Mounted Police clients. • Created eight VAC OSI Social Support Family Peer Support Coordinators positions, seven of which have been filled. • Continued the partnership with the Interdepartmental Task Force on Mental Health and successfully developed and maintained partnerships with CF, Provincial Partners, Canadian Mental Health Association and the Mental Health Commission of Canada. • Proceeded with national implementation of telemental health (using technology such as video-conferencing to ensure clients can get the help they need without leaving their community) as a mode of service delivery. Three national pilot projects have been completed, and telemental health services will be available in all regions through OSI clinics by fall 2009. • Established the VAC-DND-RCMP Mental Health Advisory Committee to provide information, expertise and advice to VAC, DND and the RCMP on research, trends, strategies, approaches, and best practices. • Held a Mental Health Information Exchange Symposium in January 2009 to exchange information, research and best practices. Participants included US experts in military mental health, mental health providers and professionals, VAC, DND, RCMP, provinces, VAC's network of OSI clinics, and DND's Operational Trauma and Stress Support Centres.	**Strategic Outcome:** • Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment **Program Activities:** • Health Care and Re-establishment Benefits and Services These initiatives are an ongoing response to the increasing mental health needs of our clients and their families. As we build additional capacity through avenues such as our OSI clinics, the OSI Social Support (OSISS) network and community providers, the priority of implementing a mental health strategy is contributing to the realization of the Strategic Outcome. VAC will continue to work towards establishing the full OSI and OSISS networks, transition processes for CF clients, and conducting ongoing research to meet the mental health needs of clients.

Operational Priorities	Type	Status	Linkages to Strategic Outcomes
Engaging Canadians in community-based remembrance activities with an emphasis on Canada's youth (VAC)	Ongoing	VAC made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Successfully met expectations** • Engaged youth through initiatives such as: supporting youth oriented organizations (i.e. Encounters with Canada, the Durham Remembers Group - Camp Husky, youth activities of The Royal Canadian Legion) in addition to organizing a Youth Learning Journey in France to mark the 90th anniversary of the End of the First World War; updating the VAC Web site to make Heroes Remember more interactive; launching the Experience Vimy feature; and expanding VAC s use of social media networking tools. • Marked the 65th anniversary of the Battle of the Atlantic, the 55th anniversary of the Korean War Armistice, the 90th anniversary of the end of the First World War (the theme of Veterans Week 2008), and the first National Peacekeepers' Day with approximately 400 events in communities across Canada. The 55th anniversary of the Korean War and the 90th anniversary of the First World War were also commemorated with events overseas. • Expanded modern day Veterans remembrance programming by: continuing to strengthen presence on Canadian Forces Bases; including remembrance information in all New Veterans Charter presentations; changing the Partnership Contribution Program to include renovations to existing monuments/cenotaphs (allowing communities to recognize CF members by adding their names to monuments); and developing a strategy to engage CF members and Veterans in remembrance (consultations with DND and Veterans' organizations will take place in 2009-10). • Increased and strengthened partnerships with other Federal Departments, while developing and maintaining partnerships with non-government organizations. Examples include partnering with Canada's National History Society's 1914-1918 Vigil Project in Ottawa and London, England as well as bringing remembrance to Canadians at the 2008 CFL semi-final games. Established the Corporate Engagement and Marketing initiative which allows VAC to reach partnering arrangements with private organizations and businesses.	**Strategic Outcome:** • Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace **Program Activity:** • Remembrance Programming VAC assisted Canadians to become engaged in community-based remembrance activities by providing learning information and opportunities, leading remembrance events in-Canada and overseas, ensuring the care of memorials, graves and cemeteries and supporting Canadians in their own remembrance activities. VAC financially supported 165 partnerships and promoted over 500 remembrance activities on its Web site. Through our leadership and partnerships many Canadians, including youth, have become aware of the accomplishments and sacrifices of all Canadian Veterans and have gained an appreciation of their efforts, contributing to the realization of the Strategic Outcome.

Operational Priorities	Type	Status	Linkages to Strategic Outcomes
Sustained program (VRAB)	Previously committed to	VRAB made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Successfully met expectations** • Worked with representatives to identify the oldest pending claims and to schedule the hearings. This focus resulted in close to 2,700 appeal level claims being heard and finalized, the highest volume in ten years. • Promoted the use of alternative review hearing modes such as video conferences and teleconferences to allow more flexibility for applicants to have their claims heard in a timely manner. To facilitate access to teleconference review hearings, the Board initiated a simplified consent process for applicants to make their requests.	**Strategic Outcome:** • Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families **Program Activity:** • Veterans Review and Appeal Board redress process for disability pensions and awards These efforts contributed to a large number of applicants having their hearings and receiving decisions. This commitment ensured applicants are well served and have the option of using the most effective and timely hearing modes.
Improved program delivery (VRAB)	Ongoing	VRAB made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Successfully met expectations** • Worked with clients' representatives to develop and prepare for the implementation of the annual review schedule of hearing locations on 1 April 2009. **Exceeded expectations** • Worked with VAC and the Bureau of Pensions Advocates to develop a method of storing and sharing electronic hearing documentation as well as improving the quality and storage of recordings of review hearings. This provides real time access for members and representatives across the country. • Enhanced member development through training, conferences and professional development sessions. • Engaged staff in decisions and matters affecting their work and discussed operational risks in their work units.	**Strategic Outcome:** • Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families **Program Activity:** • Veterans Review and Appeal Board redress process for disability pensions and awards These initiatives increased efficiency in the hearing process and improved client service by pro-actively managing cases, providing flexibility for hearings, reducing the time frames for scheduling claims, and balancing workloads of members and representatives.

Operational Priorities	Type	Status	Linkages to Strategic Outcomes
Engaged communication with appellants and stakeholders (VRAB)	Ongoing	VRAB made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Successfully met expectations** • Increased communications with representatives and applicants and prepared new information sheets which are posted on VRAB's Web site. • Engaged in proactive communication with the Ombudsman's Office, including: information sessions with staff; quarterly updates on the Board's performance; and prompt responses to information requests.	**Strategic Outcome:** • Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families **Program Activity:** • Veterans Review and Appeal Board redress process for disability pensions and awards The Board communicated its role and promoted understanding of its mandate. The Board will continue to pursue opportunities for further outreach and to provide more information on its program and performance.

Office of the Veterans Ombudsman
To fulfill its promise to Veterans, the Government of Canada appointed a Veterans Ombudsman in November 2007. The 2008-09 fiscal year was the first full year of operation of the Office of the Veterans Ombudsman. Instead of establishing an operational priority in 2008-09, the Office focussed on the five areas of: establishing the Organization; establishing a Veterans Ombudsman Advisory Committee; outreach; creating business priorities; and addressing and resolving client complaints. Further information is included in the Performance Analysis of Program Activity 4.1 (Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic complaints) in Section II.

Management Priorities	Type	Status	Linkages to Strategic Outcomes
Enhancing organizational effectiveness (VAC)	Ongoing	VAC made progress on the following plans which were included in the 2008-09 Report on Plans and Priorities. **Mostly met expectations** • Reviewed and updated Financial delegation instruments (e.g. Financial delegation charts, tables of equivalent positions, Table of Miscellaneous Operational Expenditures, etc). The work was 40 percent completed as of March 31, 2009 and on target for completion in September 2009. • Prepared for implementing audited financial statements in 2010-11 by documenting and reviewing IT general controls and key financial controls. On schedule with an anticipated completion date of March 2010. **Successfully met expectations** • Implemented a new purchasing process and an improved financial system • Created an Departmental Audit Committee as required by the Internal Audit Policy, providing briefings and orientation for the members in 2008-09. • Further developed the Integrated Human Resources and Business Planning process through training for Managers and HR Consultants, and more focused plans. • Consolidated our main computing platform, which supports the provision of common services with other departments. • Using a standardized systems development approach, developed new and expanded Web based services for our clients such as a system application for the Vocational Rehabilitation Service which can be accessed by external service providers. • Created the Centre for Integrity, Ethics, and Conflict Management in February 2009, creating efficiencies and bringing together a number of existing organizations within Veterans Affairs. **Exceeded expectations** • Demonstrated strong Information Technology management by implementing government wide generic work descriptions for head office IT staff and by adopting a standard governance, planning and performance framework which allowed VAC to efficiently implement a videoconferencing network to reduce travel costs for staff and clients. • Conducted a Strategic Review which provided an opportunity to examine how programs are delivered, whether they achieve their desired results, and identified possible changes to increase their effectiveness. This review is an evergreen process which provides accountabilities throughout the organization to ensure that VAC programs continue to meet the need of clients.	• **Strategic Outcome:** • Links to all Strategic Outcomes This priority supports all the Portfolio's Strategic Outcomes through enhancing support and administrative processes and improving accountability. Future improvements have been identified in the ongoing plans with scheduled completion dates in 2009-10.

Risks and Challenges

Risk Context

Veterans Affairs Canada's programs are delivered through a network of more than 40 offices throughout the country and overseas. The Veterans Review and Appeal Board holds hearings in Charlottetown and across the country and the Veterans Ombudsman has offices in Charlottetown and Ottawa. To provide these services, the Portfolio had 4,425 full and part-time employees with spending for 2008-09 of $3.35 billion.

The Portfolio's operating environment has become much more complex, due to factors such as changing client and staff demographics, the fiscal and economic environment, government priorities (improvements to management processes, transparency and accountability), and Canada's continuing involvement in international operations. This places additional pressure on operating performance as VAC, VRAB and the Veterans Ombudsman strive to serve our clients.

Corporate Risks

The major risks identified in the 2008-09 Report on Plans and Priorities have been reorganized under the following four sections which discuss the risks/challenges along with the mitigating strategies and responses for the Portfolio in 2008-09.

Risk/Challenge: Client Environment - Ability to transform to meet changing client needs and demographics

As of March 31, 2009 Veterans Affairs Canada provided benefits and services to 219,000 clients. While this was virtually unchanged from 220,000 in March 2008, VAC's client mix is changing. In 2008-09, traditional War-service Veterans declined from 37 to 34 percent of our client base, surviving family members of Veterans were unchanged at 36 percent, modern day Canadian Forces members and Veterans increased from 24 to 27 percent and Royal Canadian Mounted Police members were 3 percent of our client base.

While the number of our War-service Veterans is declining and is forecast to be only 22 percent of our client base in five years, the demand for and intensity of care required to support aging War-service Veterans and their spouses continues to rise.

The increased program demands and service delivery expectations of modern day Canadian Forces members and families are different to those of the War-service Veterans. The number of Canadian Forces members who have served in peacekeeping, peacemaking missions and other international operations has significantly increased in recent years. The change in operational tempo has resulted in more operational stress injuries and a corresponding need for higher levels of support from VAC and DND for CF members and families. In five years the number of CF clients is projected to increase from 27 percent of our client base to 37 percent.

The RCMP also continues to face many challenges, while dealing with the inherent danger, risks and stresses of policing. The number of disability pensions and associated benefits provided by VAC to RCMP members continues to increase. They are expected to make up five percent of our clients in five years.

The challenge for the "Remembrance Programming " program activity is to keep remembrance alive through engaging Canadian youth and to appropriately commemorate modern day Veterans for their service to Canada.

While these factors affect all areas of the Portfolio, the major risk is ensuring that the Portfolio's programs and services remain relevant and meet the needs of our clients. With changing client demographics, there are fewer War-service Veterans and more modern day Veterans. In addition to a changing client base, we have to be in a position to provide services to clients wherever they are located.

Given this operating environment, the challenge is to ensure that VAC can transform in a timely

and effective way to meet changing client needs and expectations.

Response to the Client Environment Risk
In response to the changing needs and demographics of our modern day Veterans, the Department:

- Continued a major transformation of our programs through the implementation of the New Veterans Charter programs focussed on wellness and reintegration into civilian life.
- Implemented a mental health strategy for early and comprehensive intervention, including OSI clinics and the OSI Social Support network with support for families.
- Worked closely with DND to increase our presence on DND Bases and Wings, to harmonize our services (including transition services), and to enhance outreach for modern day Canadian Forces clients and families.
- Distributed client cases more evenly across the Bureau of Pensions Advocates network.

For our traditional war service Veterans, the Department:

- Revised our long term care strategy
- Launched a benefit grid review
- Modernized Ste. Anne's Hospital to provide Veterans with an environment adapted to their changing needs. The project will be completed in 2009-10. With its expertise in long term care and in providing specialized mental health services to traditional and modern day Veterans, Ste. Anne's Hospital continued to build partnerships while identifying options for the future.

To address the challenge of keeping remembrance alive through youth engagement and modern day Veterans commemoration, we developed strategies to more fully engage youth through an increased presence in social networking forums that they understand and use. The results of the 2008 remembrance review are being used to develop strategic and action plans to address CF remembrance issues.

To respond to the risk of loss of corporate knowledge, the Portfolio took a more focussed approach to Human Resource (HR) management with an emphasis on integrated business/HR planning, including succession plans, development and learning plans, and management information systems to keep track of outcomes and increase the ability of Managers to make informed HR decisions.

Risk/Challenge: Government Context - Ability to balance Government of Canada Expectations and changing client needs
The core economic priorities of the Government of Canada include reforming global finance, ensuring sound budgeting, securing jobs for families, expanding investment and trade, and making government more effective. The Government of Canada continued to reduce debt and taxes, focused government spending and provided additional support for struggling sectors of the economy.

In order to secure an effective public service, the Clerk of the Privy Council has four public service-wide priority areas for Public Service Renewal: planning; recruitment; employee development; and enabling infrastructure. Our Department is solidly engaged in all aspects of renewal.

Due to the associated changes in business processes and systems, the increasing needs and demands of clients introduce higher levels of risk. The changing expectations of Canadians and the need for a greater degree of visibility and accountability also presented a challenge in a service delivery culture, while we faced additional pressures related to responding to information requests from the Veterans Ombudsman and an increase in requests for departmental reviews.

The major service factors affecting the delivery of VRAB's program were the continuing change in applicant make-up, the volume and age of claims pending with representatives, increasing volumes of complex claims, new reporting requirements and requests for information from applicants and stakeholders.

In its first full year of operations, the major factors affecting the Office of the Veterans Ombudsman were the development of its organizational structure and processes while dealing with a sizeable backlog of client requests.

There is a risk that the Portfolio may be unable to effectively balance increased Government of Canada expectations and changing client needs.

Response to the Government Context Risk
The above-noted risks were mitigated by: anticipating needs; keeping staff informed and involved in evolving files; scanning our operating environment; staff development through training and coaching; and continuing to improve our service-delivery processes. Another example of mitigating the risk is the role of the Veterans Ombudsman in identifying barriers to services, support and benefits for Veterans.

VAC's priorities, policies, programs and services are aligned with the priorities of both the Government of Canada and the Clerk of the Privy Council. Specifically, through activities such as our Integrated Business and Human Resource Planning, we have advanced the Government's public service renewal initiatives and supported the economic priorities of ensuring sound budgeting and making government more effective. In 2008, we undertook a strategic review of our programs and spending, identifying areas for improvements and efficiencies while maintaining the level of services and benefits to Canada's Veterans and their families. In addition, we contributed to the Government priority of security through programs and services that support Canadian Forces members and Veterans and their families, and former and serving members of the RCMP.

The Veterans Review and Appeal Board addressed its service delivery-related risk by working with client representatives to accelerate the number of hearings for applicants and closely monitoring its pending inventory to identify and hear the oldest claims. Due to financial constraints, the Board assigned additional work within existing resources.

The Office of the Veterans Ombudsman (OVO) focussed on staff recruitment while managing its backlog of client requests in 2008-09.

Risk/Challenge: People/Knowledge capacity
The loss of employees with corporate memory and other key employees will mean a loss of corporate knowledge, could compromise the delivery of benefits and services and could curtail our ability to respond to clients and administrative demands. The availability of sufficient IT resources beyond the next two years could impact the Department's ability to fully support business initiatives. If the HR strategies for recruitment, planning, learning and training are not carried out, it may be difficult for the Portfolio to fulfill its mandate to serve our clients and meet legislative and MAF requirements. Other factors include the ability of staff to accommodate further change and limited resource allocation flexibility.

Response to the People/Knowledge Risk
The Portfolio has developed strategies around recruitment, human resources planning, learning and training. Our responses included engaging staff, knowledge transfer, human resources monitoring, establishing pre-qualified pools, cross-training of existing staff and increased post-secondary graduate recruitment.

Risk/Challenge: Partnerships and Contractors
Partnerships and third party contracts are fundamental to our service delivery as we strive to provide services to clients closer to where they reside, drawing from a market where there are a declining number of providers.

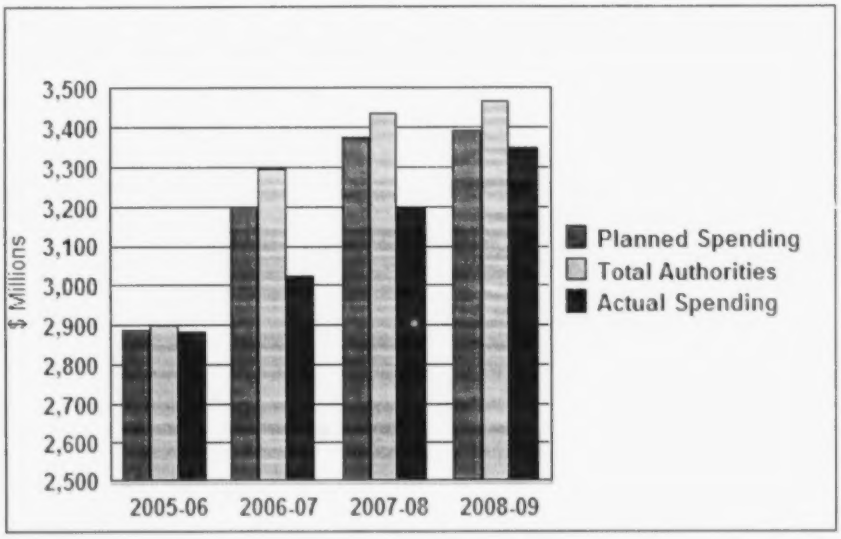
Although the likelihood of privacy breaches by VAC or its partners/contractors with access to corporate information is low, the Department must still be prepared for this potential risk. Another type of risk is a failure to have contracts in place on time and/or not fulfilled.

Response to the Partnership Risk
The Department managed these risks by engaging information management in all major projects, exercising effective contract monitoring processes, maintaining proactive communication, and active follow-up. In particular, we worked with contractors and central agencies to manage the renovation project at Ste. Anne's Hospital. In addition, we established a task force in 2006 to work on the procurement of a new contract for health claims processing and related services (the Federal Health Care Processing System used by VAC, RCMP, and DND). The task force worked with central agencies throughout 2008-09 to complete the Request for Proposal and the Statement of Work.

Within the Portfolio, we liaise with other federal departments whose mandates link closely to our own. VAC and DND work together to provide a seamless transition for releasing CF members and their families. Through the Federal Healthcare Partnership (FHP), VAC and five federal partners collaborated to identify, promote and implement more efficient and effective health care programs, providing strategic leadership and maintaining healthcare service levels while achieving economies of scale. The Department also worked with Provincial, Territorial, and Regional Health Authorities to address our clients' needs, and communicated on a regular basis with stakeholder organizations who advocate on behalf of their members for improved health, social, home and long-term care services.

Partnerships and collaborations with other government departments, stakeholders and Veterans' organizations are also crucial to the delivery of remembrance programming. Following a program evaluation, the Partnership Contribution Program was renewed for five years with updated terms and conditions, allowing for new initiatives such as Corporate Engagement and Marketing.

Expenditure Profile



$ millions	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	Actual	Actual	Actual	Actual	Planned	Planned	Planned
Totals	**2,881.4**	**3,028.0**	**3,196.5**	**3,353.3**	**3,364.1**	**3,309.0**	**3,304.8**

The Veterans Affairs spending trend shows actual expenditure increases through the 2008-09 year. These increases relate to several factors including: the implementation and gradual uptake of programs under the New Veterans Charter; annual price indexation adjustments for benefits paid to or on behalf of clients; increased eligibility for benefits under the Veterans Independence Program for primary care givers and low-income or disabled survivors; ex-gratia payments related to the use of Agent Orange at CFB Gagetown; additional funding provided through Budget 2007 for enhanced services to Veterans, the establishment of five additional Operational Stress Injury clinics and the establishment of the Office of the Veterans Ombudsman; and salary cost adjustments related to signed collective agreements.

The above increases were partially offset by a decline in client numbers for Disability Pensions and Allowances, War Veterans Allowances, and Treatment Benefits such as prescription drugs and special equipment.

Voted and Statutory Items Displayed in Main Estimates

($ millions)					
Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2006-07	2007-08	2008-09	
		Actual Spending	Actual Spending	Main Estimates	Actual Spending
1	Veterans Affairs - Operating expenditures*	833.3	867.7	970.5	924.6
5	Veterans Affairs - Capital expenditures	20.3	26.3	22.9	22.4
10	Veterans Affairs - Grants and contributions	2,125.3	2,250.2	2,353.7	2,350.5
15	Veterans Affairs - Veterans Review and Appeal Board - Operating expenditures	9.5	10.2	9.6	12.2
(S)	Contributions to employee benefit plans	39.1	41.4	40.7	43.3
(S)	Minister of Veterans Affairs' Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Veterans Insurance Actuarial Liability Adjustment	-	0.2	0.2	0.1
(S)	Refunds of amounts credited to revenue in previous years	0.3	0.2	-	-
(S)	Court awards	-	0.1	-	-
(S)	Spending of proceeds from the disposal of surplus crown assets	0.1	0.1	-	0.1
(S)	Repayments under section 15 of the *War Service Grants Act* of compensating adjustments made in accordance with the terms of the *Veterans' Land Act*	-	-	-	-
(S)	Returned Soldiers Insurance Actuarial Liability Adjustment	-	-	-	-
(S)	Re-Establishment Credits under Section 8 of the *War Service Grants Act*	-	-	-	-
	Total Portfolio	**3,028.0**	**3,196.5**	**3,397.7**	**3,353.3**

Significant differences between the 2007-08 and 2008-09 reporting periods include: increased benefits payments due to the gradual uptake of programs under the New Veterans Charter; increased ex-gratia payments related to the use of Agent Orange at CFB Gagetown; increased benefit payments due to increased eligibility under the Veterans Independence Program for primary care givers and low-income or disabled survivors; increased cost for health care related to long-term care and operational stress injuries; and increased salary costs related to signed collective agreements.

* Vote 1 includes Administrative and overhead costs incurred to support the delivery of programs ($288.0 million in 2007-08, $307.2 million in 2008-09). The balance of Vote 1 is for: Goods and services purchased on behalf of Veterans, such as prescription drugs, long-term care, etc. ($558.8 million in 2007-08, $587.0 million in 2008-09); New Veterans Charter health, vocational rehabilitation and job placement services ($3.1 million in 2007-08, $5.3 million in 2008-09); and Ex-gratia payments related to the use of Agent Orange at CFB Gagetown ($17.8 million in 2007-08, $25.1 million in 2008-09).

SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome # 1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment.

Program Activity 1.1: Pensions, Awards, Allowances for Disability and Death; and Financial Support					
2008-09 Financial Resources ($ millions)			2008-09 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
2,166.6	2,223.8	2,165.4	1,353	1,437	(84)
Expected results	**Performance Indicators**	**Targets**	**Performance Status**	**Performance Summary**	
Eligible clients of Disability Pensions, Financial Support, Awards and Allowances Programs are appropriately compensated to contribute to their well-being	Percentage of clients that feel that the programs and services which they have received address their basic needs (measured every three years)	85 percent	Mostly met (Actual performance of 68 percent per 2007 survey)	VAC's 2007 National Client Satisfaction Survey reported that 68 percent of clients feel that the programs and services which they received meet their needs. There were differences in the results of the individual client groups (War Service Veterans; modern day Canadian Force Veterans and members; Survivors; and Still-serving and retired RCMP members) included in the survey. Specifically, the vast majority (80 percent) of VAC's War Service Veterans reported that VAC programs and services meet their needs. For RCMP and Canadian Forces clients, results were somewhat lower at 71 percent and 68 percent respectively. For survivors, 51 percent reported that VAC programs and services met their needs. The disparity of these results may be due to differences in eligibility to VAC programs and services, particularly those relating to the comprehensive suite of health care benefits linked to disability and income support programming. Over the past six years, VAC has made progress in better meeting the needs of modern day Canadian Forces clients in particular. The proportion of Canadian Forces clients who felt the programs and services they receive from Veterans Affairs Canada meets their needs has risen to 68 percent in 2007 from 59 percent in 2001.	

Veterans Affairs provides, upon eligibility, pensions or awards for disability or death and financial support as compensation for hardships arising from disabilities and lost economic opportunities. Veterans Affairs has a comprehensive and integrated range of compensation and wellness programs to support its clients. These clients include: Veterans of the First World War, the Second World War, and the Korean War, Merchant Navy Veterans, Canadian Forces Veterans, Canadian Forces members, spouses, common-law partners, certain civilians, and survivors and dependants of military and civilian personnel. Veterans Affairs also administers disability pensions for the Royal Canadian Mounted Police under a Memorandum of Understanding.

Performance Analysis:
Appropriately compensating Veterans and their families is a high priority of Veterans Affairs Canada. In terms of pensions, awards and allowances for disability and death, the Department monitors both the timeliness of program decisions to ensure program accessibility as well as the appropriateness of program decisions. In 2008, VAC refined the way it calculates its service standards from reporting on average turn around times to percent completed within and outside of the service standard. The target of 90 percent had been set based upon the previous calculations and has been revised to reflect a more realistic goal of 80 percent. In 2008-09, VAC completed decisions on 78 percent of its first applications within its published 24 week service standard. The Department also conducted a quality assurance review of its first application process to measure overall compliance with relevant legislation, regulation, policy and business process. Results indicated a national compliance rate with appropriate legislation, policies and business processes of 91 percent, exceeding the target of 90 percent. With respect to benefit adjudication and payment process, the compliance scores were higher at 96 percent and 98.5 percent respectively, well above their target of 90 percent.

In terms of the financial support sub-activity, VAC also monitors the timeliness of decisions to ensure an appropriate level of program accessibility so that eligible clients receive the financial support they need in a timely manner. In 2008-09, we processed 87 percent of our War Veterans Allowance applications in 30 days, falling just short of our 90 percent target.

On October 1, 2008, VAC launched the "Advocates without Borders" initiative to improve client access to the services of the Bureau of Pensions Advocates (BPA) offices across Canada. As a result of this initiative, turnaround times were dramatically reduced from an average of 166 days in April 2008 to 94 days by March 2009. As well, 96 percent of BPA's clients indicated that they were satisfied or very satisfied overall with the Bureau's services.

Lessons Learned:
The department recognizes the linkages between its disability compensation and income support programs and the health and well-being of its clients. Through the year it has made it a priority to further develop its capacity to measure these linkages through performance measurement and increasing its focus on program effectiveness. Also, the Department implemented "plain language" communication with its clients, starting with decision letters for disability benefits. We learned that achieving plain writing is a complicated process requiring a great deal of dialogue between subject experts, legal experts and plain writing experts to ensure that letters be written with the sole objective of having the client understand the content of the letter without including legal or bureaucratic terms. Communicating in plain language will help clients better understand the rationale behind decisions made by the Department, the rules that guide these decisions and client rights with respect to review and appeal.

Benefits for Canadians
Providing disability pensions, financial support and awards and allowances allows Canadians to compensate and recognize Veterans and their families for disabilities they have endured in their service to Canada. The provision of financial support helps Veterans and their families be economically self sufficient and maintain the dignity they so deserve as a result of the sacrifices they have made for the nation.

Program Activity 1.2: Health Care and Re-establishment Benefits and Services					
2008-09 Financial Resources ($ millions)			2008-09 Human Resources (FTEs)		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
1,160.9	1,168.4	1,121.1	2,199	2,282	(83)
Expected results	**Performance Indicators**	**Targets**	**Performance Status**	**Performance Summary**	
VAC contributes to the well-being of clients through the provision of health benefits and rehabilitation services	Percentage of clients who were assessed in the last year who report a positive impact on their health status as a result of Veterans Affairs Canada health care and re-establishment benefits and services	85 percent	Mostly met (Actual performance measured indirectly in 2008-09)	VAC's 2007 National Client Satisfaction Survey reported that 79 percent of clients receiving treatment benefits felt the program met their needs. The response differed between the client groups surveyed, with 83 percent of War Service Veterans reporting the program met their needs, followed by 69 percent of Canadian Force clients. This disparity may be due to the fact that War Service Veterans generally have access to the full range of treatment benefits whereas program access for the majority of modern day Veterans is restricted to treatment benefits related to their pensioned conditions. According to the 2007 survey, 74 percent of clients receiving the Veterans Independence Program felt that the program met their needs. There were significant differences between individual client groups with the vast majority (87 percent) of War Service Veterans reporting that VIP services met their needs. For Canadian Force clients, the results were slightly lower at 83 percent. Survivors, at 52 percent, were much less likely to feel that the VIP meets their needs. The disparity of these results, particularly for survivors, may be due to eligibility restrictions to certain VIP elements within the program. For example, survivors have access to housekeeping and grounds maintenance services to meet their needs, but do not have access to personal care, nursing home intermediate care or home adaptations. VAC's Long Term Care Client Satisfaction Survey found that 97 percent of Long Term Care Program clients in non-departmental facilities were satisfied with the specialized care services received.	

Veterans Affairs provides health benefits, a Veterans Independence Program, long-term care, and rehabilitation and re-establishment support to eligible Veterans and others. The Health Care Program is designed to enhance the quality of life of Veterans Affairs' clients, promote independence, and assist in keeping clients at home and in their own communities by providing a continuum of care.

Performance Analysis:
The health and re-establishment programs offered by VAC are targeted to reduce the vulnerability of Canadian Veterans and other clients by meeting their health care needs and fostering rehabilitation to the extent possible. Despite the poor health status of many of our clients, survey and administrative data suggest that Departmental programs are having a positive impact on their health and well-being.

Through the Long-Term and Nursing Home Care sub-activity, VAC provides funding for specialized care for more than 10,000 Veterans in facilities across Canada.

The Department's Home Care and Other Veterans Independence Program Services assist Veterans to remain in their own homes for as long as possible. VAC provides home care and support services to over one hundred thousand clients, 79 percent of whom are over 80 years of age. In 2008-09, only 2 percent (1,269) of Veterans participating in the VIP program entered a long term care institution. Their average age was more than 86 years.

VAC has been providing access to medical, psycho-social and vocational rehabilitation services to Canadian Forces Veterans as part of the New Veterans Charter since April 2006. As of March 31, 2009, 2,586 clients were participating in rehabilitation services and 250 clients had completed the program. A preliminary survey was implemented by VAC in 2007 to measure program outcomes within the domains of health status; economic security; participation in employment; community integration; and perceived recognition for military service. Although data is not yet available for clients who have completed the program, data in relation to client intake during the 2007-08 fiscal year suggests a high level of disability among program participants. Compared to the general population, VAC clients participating in the rehabilitation program have poorer mental and physical health (96 percent of the general population have better physical and mental health) and are more at risk for depression (62 percent compared to 20 percent). Also, 69 percent of these clients report low levels of belonging to their local community. These findings have significant implications for the Department in terms of the degree and duration of support necessary to assist these clients to successfully re-establish into civilian life.

VAC continued to improve the benefits and services offered to its clients through efforts such as the revised Long-Term Care Strategy, Benefit Grid review, expansion of VIP, the opening of additional OSI clinics and partnering with DND to offer services on Canadian Forces Bases and Wings.

Lessons Learned:
As part of its Mental Health Strategy, VAC developed a network of Operational Stress Injury (OSI) Clinics to provide specialized mental health services to Veterans and their families. An October 2008 evaluation found that the Department needed to clarify its OSI clinic governance structure, strengthen its accountability relationships with service providers and build a more robust financial framework for the network. Responding to the recommendations, VAC has updated clinical and administrative guidelines and has clarified roles and responsibilities of the OSI partners and developed discipline-specific templates to standardize reporting. The OSI clinic network is a key element in assisting VAC to contribute to the well-being of clients. In the 2008-09 fiscal year, over 75 percent of OSI clinic clients reported an improvement in their condition as a result of network services.

Benefits for Canadians:
The Department offers programs and services that support the health and wellness of the men and women who served and continue to serve Canada in time of war, conflict and peace, contributing to the national identity of Canadians. Assisting Veterans and their families to transition successfully from military to civilian life maximizes the ability of these committed people to continue their valuable contributions within their local communities and to the nation.

Strategic Outcome # 2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.

Program Activity 2.1: Remembrance Programming					
2008-09 Financial Resources ($ millions)			2008-09 Human Resources (FTEs)		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
50.6	53.6	45.6	157	152	5
Expected results	**Performance Indicators**	**Targets**	**Performance Status**	**Performance Summary**	
A Canadian public that is informed of military history and engaged in honouring the contributions of Veterans and those who gave their lives in the cause of peace and freedom	Percentage of Canadians who are aware of the contributions and sacrifices of Canadian Veterans (measured every two years)	60 percent	Exceeded (Actual performance of 84 percent)	An Omnibus survey conducted for Veterans Week 2008 reported that 84 percent of Canadians are aware of the contributions and sacrifices of Canadian Veterans and feel these contributions are of major importance to the development of our country. High proportions (92 percent) continue to agree that Veterans should be recognized and that they are proud and knowledgeable of the roles Canada's military has played in conflict and peace. These results are similar to previous surveys. While 79 percent of Canadians agree that they are very proud of the role of the Canadian military, fewer (71 percent) feel that they are knowledgeable about the role Canada's military has played in conflicts such as the First and Second World Wars, the Korean War and the war in Afghanistan.	

Remembrance Programming keeps alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace; engages communities in remembrance of these achievements and sacrifices; and, promotes an understanding of their significance in Canadian life as we know it today.

Performance Analysis:
The performance rating of this Program Activity is very high. The Canadian public is aware of remembrance programming and is eager to learn more, as shown by 2.3 million visits to the Canada Remembers' section of the VAC Web site, 337,000 visits to the Youth and Educators section of the Web site, and the distribution of 2.4 million learning and public information materials and promotional products. In the last year, the Department marked a number of significant milestones, including the 90th anniversary of the end of the First World War, the 55th anniversary of the Korean War Armistice, the 65th anniversary of the Battle of the Atlantic and the first National Peacekeepers' Day. Internationally, VAC maintains 14 memorials in Europe, including the newly acquired Canada Memorial in Green Park, London, England.

VAC's leadership and partnerships in remembrance programming helps many Canadians, including youth, engage in community-based remembrance activities by providing learning information and opportunities, leading remembrance events in-Canada and overseas, and supporting Canadians in their own remembrance activities. To reach our youth, VAC is using electronic and Web-based sources such as social networking tools and the Internet. VAC began to tap into these resources by posting the Veterans' Week 2008 vignette on YouTube and creating a virtual scrapbook of remembrance photos and graphics that youth can download to social networking pages and blogs. New materials added to the VAC Web site are also useful to youth. The need for a comprehensive youth leadership strategy was identified and is being developed.

In 2008-09, the Department worked to expand all types of partnerships to reach more Canadians and increase awareness of remembrance. For example, a Corporate Engagement partnership pilot project, with the Canadian Football League (CFL) during the 2008 CFL semi-final games, prominently displayed remembrance messages to 60,000 fans in the stadiums and an additional 1.7 million television viewers, provided remembrance information in the souvenir program and was featured on the CFL Web site. In another example, VAC supported Canada's National History Society's 1914-1918 Vigil Project.

From November 4th to 11th, the names of each of the over 68,000 Canadian men and women killed in service during the First World War were projected onto the National War Memorial in Ottawa and Canada House in London, England, as well as in many provincial capitals in Canada.

Lessons Learned:
Generally, remembrance programming is meeting the needs of our traditional Veteran clients. However, modern day Veterans are less satisfied and 29 percent do not see themselves as Veterans. To ensure their efforts are recognized and honoured, we are actively seeking ways to engage our modern day Veterans in remembrance.

Based on program evaluations of the Partnership Contribution Program and the Funeral and Burial Program, we identified processes which were too lengthy and complex and are implementing changes to ensure efficiency and streamlining of the programs.

VAC's Youth Learning Journey for the 90th Anniversary overseas event was a tremendous learning experience for 13 Canadian youth. However, an evaluation found that results in terms of reach are not balanced with resources expended, and that youth educational tours offered by private organizations appear to have a broader reach and client base. We are exploring ways to assist external organizations to facilitate youth travel overseas.

Benefits for Canadians:
The benefits of remembrance programming to Canadians are two-fold. For Veterans, it provides the recognition and appreciation they so richly deserve. VAC's remembrance programming also assists Canadians, especially youth, to become more aware of the accomplishments and sacrifices of all Canadian Veterans and gain an appreciation of their efforts. This appreciation contributes to the realization of the strategic outcome.

Strategic Outcome # 3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families.

Program Activity 3.1: Veterans Review and Appeal Board redress process for disability pensions and awards					
2008-09 Financial Resources ($ millions)			**2008-09 Human Resources (FTEs)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
13.8	16.9	16.6	147	135	12
Expected results	**Performance Indicators**	**Targets**	**Performance Status**	**Performance Summary**	
Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program	Percentage of Federal Court decisions that uphold Veterans Review and Appeal Board decisions	50 percent	Mostly met (Actual performance of 44 percent)	When all Board redress avenues have been exhausted, applicants may apply to the Federal Court for a Judicial Review. In 2008-09, 16 appellants filed an application with the Federal Court (less than 0.6 percent of the Board's 2,871 appeal and reconsideration decisions). The Federal Court issued nine rulings - four upheld the decision of the Board while five were returned to be reheard. Two decisions were returned to the Board pursuant to a Consent Order and one application was discontinued.	

Provides Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, Royal Canadian Mounted Police clients, qualified civilians and their families with full opportunity to request review and appeal hearings to ensure a fair adjudicative process for disability pension, disability award, and War Veterans Allowance claims.

Performance Analysis:
In 2008-09 the Veterans Review and Appeal Board established goals to maximize its schedule to hear applicants' claims and to finalize 7,000 decisions. These goals were exceeded through increased hearings and working with the representatives to identify and schedule hearings for the oldest claims. The Board focussed on reducing time frames for applicants and made improvements in the time lines within its control. From registration with the Board to decision issued, the average time for review hearing claims was reduced from 180 days in 2007-08 to 174 days in 2008-09. This includes the time period, shared by the Board and the applicants' representatives, when the claim is waiting to be scheduled but depends upon applicant readiness and hearing schedule availability. The average time for appeal hearing claims was reduced from 114 days in 2007-08 to 65 days in 2008-09. The Board decreased its hearing caseload to less than 2,000 pending claims, of which 1,200 are ready to be heard, a manageable workload.

On average, 65.4 percent of the finalized review decisions and 45.2 percent of the finalized appeal decisions varied a previous ruling. Ninety percent of review decisions were finalized in an average of 31.9 days, with 90 percent of appeal decisions finalized in an average of 27.3 days.

Lessons Learned:
Because the choice to appeal a decision rests with the applicant, the Board has no control over the volume of applications it receives or the time that representatives require to prepare cases to be heard. With this ongoing challenge, and in the context of financial restraint and a demand for shorter time frames for applicants to have their hearings, the Board is identifying adjustments to the hearing schedule and offering technology to respond to these challenges.

The Board implemented electronic document sharing and storage methods. While this has been successful in providing timely access to claim information, the Board will continue to identify and discuss ways to improve the process with the Bureau of Pensions Advocates, The Royal Canadian Legion and VAC.

The volume of complex claims has been increasing and additional procedures have been added to the processing of claims. VRAB will review its service standard to ensure it is current, practical and meaningful for applicants awaiting their decisions and for Board members and staff who are expected to meet the commitments.

VRAB recognizes that communicating with applicants and representatives is essential to their understanding of the Board's program and processes. The Board will continue to increase its efforts to meet the information needs of interested parties, using its Web site and other communications tools.

Benefits for Canadians:
The Board continues to uphold the Government of Canada's commitment to provide a fair and independent appeal process. In order to provide applicants with the opportunity to give oral testimony in support of their disability claims, the Board travelled to more than 30 cities to hold in-person review hearings in 2008-09. More than 7,100 claims from Canada's war Veterans, Canadian Forces Veterans and members and Royal Canadian Mounted Police clients were finalized. The Board reduced its caseload of pending claims and had the capacity to hear the claims ready to be scheduled.

Strategic Outcome # 4: Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients.

Program Activity 4.1: Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues					
2008-09 Financial Resources ($ millions)			2008-09 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
5.8	6.0	4.6	40	33	7
Expected results	**Performance Indicators**	**Targets**	**Performance Status**	**Performance Summary**	
Individual client complaints are effectively dealt with in a timely manner Reports on recommendations on complex systemic and emerging issues Veterans Affairs Canada's programs and services address client needs	Turn-around times from the time a complaint is received by the Ombudsman's office until the review/ investigation has been completed	To be determined	N/A	2008-09 was the first full year of operation. Efforts were concentrated on bench marking for both early intervention and research and investigation business lines. Turn-around times will be refined.	
	Number of recommendations made to the organization	To be determined	N/A	The Office submitted a series of specific enquiries, observations, discussion papers and one Administrative Report on the Departmental Funeral & Burial Program.	
	Number of cases resolved through informal resolution	To be determined	N/A	OVO actioned 707 cases during the year. Of these, 493 (70 percent) were resolved through informal resolution with 214 cases referred for further investigation as having possible systemic implications.	

Provides War-service Veterans, Veterans and serving members of the Canadian Forces (Regular and Reserve), members and former members of the Royal Canadian Mounted Police, spouses, common-law partners, survivors and primary caregivers, other eligible dependants and family members, other eligible clients and representatives of the afore-mentioned groups with the opportunity to request independent reviews of their complaints by an impartial individual who was not part of the original decision-making process. The Veterans Ombudsman has the mandate to: review and address complaints by clients and their representatives arising from the application of the provisions of the Veterans Bill of Rights; identify and review emerging and systemic issues related to programs and services provided or administered by the Department or by third parties on the Department's behalf that impact negatively on clients; review and address complaints by clients and their representatives related to programs and services provided or administered by the Department or by third parties on the Department's behalf, including individual decisions related to the programs and services for which there is no right of appeal to the Board; review systemic issues related to the Board; and facilitate access by clients to programs and services by providing them with information and referrals.

Performance Analysis:
2008-09 was the first full year of operations for the Office of the Veterans Ombudsman. Following his appointment in November 2007, the Veterans Ombudsman proceeded to build a staff and had filled all but seven positions by March 2009.

The Ombudsman established an Advisory Committee of 19 individuals who are reflective of the Veterans' community. The committee met in June and November 2008 and proved to be an effective sounding board.

In June 2008, the Ombudsman launched his national Leave Nobody Behind campaign, aimed at drawing attention to those individuals who might be falling through the cracks. This initiative was announced at the first of a series of "town halls" in Charlottetown, Calgary, Cold Lake, Halifax, and Prince Albert. The Ombudsman took up the cause of homeless Veterans and engaged the Department in defining the extent of the problem and reaching out and helping homeless Veterans. He also met with Veterans groups and individual Veterans to hear their concerns and to engage them on how the government should best respond to their needs.

The Office established business procedures and processes during 2008-09 such as: early intervention guidelines; OVO/VAC interface guidelines; standards for preparing early intervention case summaries; compelling case guidelines; walk-in procedures for visits by stakeholders; bench marking time lines for outputs; the process used to issue enquiries, observations and administrative and investigative reports; and service standards for primary stakeholder contact, including telephone, email, surface mail and internet communications.

To address systemic issues which came to light during the first year of operation, the Office issued four observations, three discussion papers and one administrative report containing seven recommendations.

Lessons Learned:
The financial and human resources established for the Office were based on similar agencies and notional business volumes. After a full year of operations, there is a need to review the resource base required to maintain effective program activity.

Starting operations with a minimum workforce presented challenges in "staffing up" while responding to stakeholder requests and expectations, and dealing with a sizeable backlog of requests. OVO concentrated on processing the backlog and stakeholders were cautioned to expect delays in official responses.

While OVO chose to use the existing VAC correspondence management software and adapt it to their needs, case management software with built in statistical and reporting capacity might have proved a better choice.

Channelling stakeholder complaints to a departmental central support unit did not garner the expected results and it was found that the Office must liaise directly with staff of the appropriate departmental organizational unit.

Benefits for Canadians:
The Veterans Ombudsman is an independent officer reporting directly to the Minister. The office was established to safeguard the Veterans Bill of Rights and ensure fairness and consistency in the delivery of the government's programs and services to Canada's Veterans and other client groups. OVO uses the findings from impartial and factual research to highlight program delivery issues. The Veterans Ombudsman provides a highly-visible presence within the community and increases the awareness of the Canadian public to the serious issues affecting Canada's Veterans.

SECTION III - SUPPLEMENTARY INFORMATION

Financial Highlights

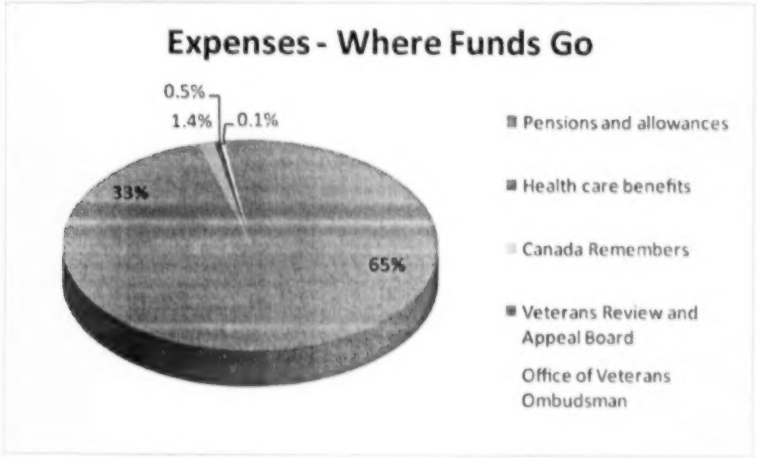
For the period ending March 31, 2009
Condensed Statement of Financial Position (unaudited)
(in thousands of dollars)

	2009	2008	Percentage Variance
Assets	163,155	142,054	15%
Liabilities	145,687	119,544	22%
Equity	17,468	22,510	(22)%
Total Liabilities and Equity	163,155	142,054	15%

For the period ending March 31, 2009
Condensed Statement of Operations (unaudited)
(in thousands of dollars)

	2009	2008	Percentage Variance
Expenses	3,380,378	3,197,486	6%
Revenues	21,746	21,410	2%
Net Cost of Operations	3,358,632	3,176,076	6%

Financial Highlights Chart



Financial Statements

The Portfolio's 2008-2009 Financial Statements are available on the VAC Web site at the following address: www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/departmental-financial-statements/2008-09

Consultations

VAC has a well-established track record of cooperation with Canada's major Veterans' organizations and key stakeholders, a reputation that is achieved through regular contact, consultation and communication. Two key activities feed this mutually-beneficial relationship: consultation sessions and advisory bodies.

Consultation sessions with key stakeholder groups create visibility, solicit input, develop consensus and gain support for ongoing improvements. The groups consulted on a regular basis are: The Royal Canadian Legion; Army, Navy and Airforce Veterans in Canada; National Council of Veterans' Associations; Canadian Peacekeeping Veterans Association; Canadian Association of Veterans in United Nations Peacekeeping; and the Gulf War Veterans Association of Canada. In most cases these sessions are used to solicit feedback and advice on existing programs, policies and procedures, providing the Department with a clearer picture of what is working well and what could work better. In some instances, with the appropriate authority to do so, consultation sessions also serve to share information and seek input on proposed changes to program authorities. A number of multilateral sessions (April, January and February) and regional sessions (November, February) were held during 2008-09, covering topics such as the National Long-term Care Strategy, results of a review of VAC's case management process, and key policy initiatives. Ongoing interaction between the Department and Veterans' organizations continues to be a mutually-beneficial arrangement which ultimately serves Canada's Veterans well.

VAC regularly consults with other federal departments (directly or through the Federal Healthcare Partnership), provincial, territorial and regional health authorities, and with other countries through the Senior International Forum.

Another forum for consultation is the Veterans Ombudsman's town halls and outreach program.

VAC has established the following advisory bodies to conduct studies and provide expert advice to the Department on the implementation and effectiveness of its programs and services: the Gerontological Advisory Council (GAC); the New Veterans Charter Advisory Group (NVCAG); and the Special Needs Advisory Group (SNAG). These groups bring academics together with representatives from key Veterans' organizations and other stakeholders. Each of these groups met twice during the 2008-09 fiscal year. The NVCAG is currently preparing a report, expected by the Department in Fall 2009, identifying gaps in benefits and services with respect to the New Veterans Charter.

A VAC-DND-RCMP Mental Health Advisory Committee (experts from the academic, research, practitioner and business community as well as client group representatives) has been established to provide information, expertise and advice to VAC, DND and the RCMP on research, trends, strategies, approaches, and best practices in the field of mental health and social support.

The Veterans Ombudsman created an Advisory Committee that is reflective of all facets of the Veterans' community. The Advisory Committee has proven to be an effective sounding board for the Veterans Ombudsman's initiatives and recommendations.

List of Electronic Tables

The following tables can be found on the Treasury Board of Canada Secretariat Web site at:

www.tbs-sct.gc.ca/dpr-rmr/2008-2009/index-eng.asp.

Sources of Non-respendable Revenue
Details on Project Spending
Details on Transfer Payment Programs
Sustainable Development Strategy
Green Procurement
Response to Parliamentary Committees
Internal Audits
Evaluations

Web sites

The following Web sites will provide more detailed information on material provided in this report. If further information is required, contact may be made through the VAC general enquiries lines.

Veterans Affairs Canada:
http://www.vac-acc.gc.ca/

Veterans Review and Appeal Board:
http://www.vrab-tacra.gc.ca/

Office of the Veterans Ombudsman:
http://www.ombudsman-veterans.gc.ca/

Contact Information

If you wish to make a general enquiry about VAC, its programs or services, please call 1-866-522-2122. If you wish to make a general enquiry about the Veterans Review and Appeal Board, please call 1-800-450-8006. To contact the Office of the Veterans Ombudsman, please call 1-877-330-4343.

Portfolio Publications

The Portfolio produces a variety of publications on its programs and services. Copies of these publications can be obtained from your nearest VAC district or regional office.

For more information or if you have any questions, please contact:

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